

**AVALON CITY COUNCIL MEETING WILL ALSO INCLUDE A MEETING OF THE
CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE
AVALON COMMUNITY IMPROVEMENT AGENCY
TUESDAY, MARCH 18, 2014 – 6:00 P.M.
CITY COUNCIL CHAMBERS
410 AVALON CANYON ROAD, AVALON
A G E N D A**

In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact Denise Radde, City Clerk (310) 510-0220. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35. 102-35.104 ADA Title II). All public records relating to an agenda item on this agenda are available for the public inspection at the time the records are distributed to all, or a majority of all, members of the City Council. Such records shall be available at City Hall located at 410 Avalon Canyon Rd.

CALL TO ORDER / PLEDGE OF ALLEGIANCE / INVOCATION / ROLL CALL

ANNOUNCEMENTS / WRITTEN COMMUNICATIONS

PRESENTATION - PUBLIC HEARING

The Metropolitan Transit Authority (MTA) is required to present a public hearing on the community's unmet public transit needs in accordance with the Transportation Development Act (TDA) Article 8. TDA Article 8 funds are currently being used by the City of Avalon to fund Avalon's Consolidated Jitney Program which includes ART, DAR, and ACT.

Recommended Action

- 1) Open the Public Hearing and accept comments from the public.
- 2) Close the Public Hearing.

ORAL COMMUNICATION

Members of the public may address the City Council at this time. No action will be taken on non-agenda items at this meeting. Speakers should limit comments to three (3) minutes each.

CONSENT CALENDAR

All items listed on the Consent Calendar are considered to be routine by the Council and will be enacted with one motion. There will be no separate discussion of these items unless a specific item is removed from the Consent Calendar for further discussion and possible action.

1. Actions

Although the live recording is the official record of public meetings, actions are prepared for the Council's approval.

Recommended Action

Approve actions from the February 18, 2014 and March 4, 2014 City Council meetings.

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2. Expenditures Submitted for Approval
- Warrants in the amount of \$402,556.07
 - Payroll in the amount of \$191,643.04
 - Electric Fund Transfer to BOE for Fuel Sales Tax in the amount of \$4,360.00

Recommended Action

Approve total expenditure amount of \$598,559.11.

3. Catalina Express Free Birthday Trips – Waiver of Harbor Use Fee
The City Council has waived the wharfage fee for all persons who arrived and departed the City of Avalon via the Catalina Express on the birthday promotion for the last three years. The Catalina Express would like to extend their promotion and has requested the City of Avalon to again waive the wharfage fee for another year.

Recommended Action

Approve waiver for not charging the wharfage fee for all persons who embark and disembark the City of Avalon via the Catalina Express in conjunction with the Catalina Express's promotion of giving a free birthday trip.

4. Consideration of Award for Contract- Joe Machado Field Concession Stand Lessee
On Friday, March 14, 2014 a panel consisting of Councilmember Richard Hernandez, City Treasurer Christy Lins, and Recreation Coordinator Jennifer Monroe met to review the applications and interview the applicants. The panel is unanimously recommending City Council award the contract to Marjorie Wahl and Bryan Fultz based upon the respective experience and qualifications of the applicants.

Recommended Action

Award contract to Marjorie Wahl and Bryan Fultz for the Joe Machado Field Concession Stand contract and authorize Staff to execute a contract.

******The fifth item on Consent is the “City of Avalon acting as the Successor Agency to the Avalon Community Improvement Agency”.**

5. Emergency Repairs to Crescent Avenue Storm Drain Phase 2
Half of the emergency repairs have been completed on Crescent Avenue Storm Drain. Phase 2 of the project should be complete by April 14, 2014. All vehicles weighing over 17,000 lbs. will continue to use an alternate route until this date.

Recommended Action

Allow staff to continue making emergency repairs, on the other half of Crescent Avenue, Phase 2. (A Four-Fifths vote required.)

CITY COUNCIL AGENDA
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GENERAL BUSINESS

6. Resolution Encouraging Voluntary Reduction in the Use of Single-Use Plastic Bags
This resolution calls for voluntary reduction in single-use plastic bags and demonstrates the City's commitment to an environmentally friendly community.
Recommended Action
Adopt resolution encouraging the voluntary reduction in the use of single-use plastic bags.

7. Findings and Determinations by the City Council to Dispense with Public Bidding and Authorize Direct Negotiations with Ebus, Inc. for the Purchase of Three (3) All Electric Buses for the City of Avalon's Fixed Route Public Transportation System
The City submitted a grant application in January 2013 through the Los Angeles County Metropolitan Transportation Authority's Call for Projects process to replace three City owned, gas powdered trolleys with three all-electric buses. The City was successful and will be funded \$960,000 Metro Local Transit Funds with a City match of \$240,000.
Recommended Action
Adopt the findings and determinations set forth in this staff report necessary to dispense with public bidding and authorize the City Manager to commence contract negotiations with Ebus, Inc. for the purchase of three (3) 22-foot, all electric buses, and direct the City Manager to bring the negotiated contract and price back to the City Council for review and approval.

8. Process in the Event of a Tie Vote at the April 8, 2014 Avalon Municipal Election
Elections Code §15651 provides that unless the City Council adopts a resolution providing for a Special Runoff Election in the event of a tie vote, then tie votes are to be decided by the election board (the City Clerk and two designees) by lot (such as the flip of a coin).
Recommended Action
Choose between adoption of a resolution providing for a Special Runoff Election in the event of a tie vote or allow tie to be decided by lot.

9. Fiscal Year 13/14 Mid Year Budget Review
The Mid-Year Budget Review provides an explanation of the City's progress for the first six months of the fiscal year or the period between July 1st 2013 and December 31, 2013. At this time, the \$1.6 million dollar deficit in the adopted budget is expected to be reduced to approximately \$688,971.00.
Recommended Action
Receive and file the FY 13/14 Mid-Year Budget Report.

CITY MANAGER REPORT

CITY ATTORNEY REPORT

**CITY COUNCIL AGENDA
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COUNCILMEMBER REPORTS

MAYOR REPORT

ADJOURN

NOTICE OF POSTING

I, Denise Radde, declare that the City Council Agenda for March 18, 2014 was posted Friday, March 14, 2014, on the City's website www.cityofavalon.com, and at City Hall, 410 Avalon Canyon Road. Copies of agendas and staff reports are available at City Hall.



Denise A. Radde, City Clerk / Chief Administrative Officer

CITY COUNCIL

MEETING DATE: March 18, 2014
ORIGINATING DEP: City Clerk
PREPARED BY: Denise Radde, City Clerk
SUBJECT: City Council Actions

AGENDA ITEM: 1

CITY MANAGER: 

RECOMMENDED ACTION(S):

Approve City Council Actions from the regular City Council meetings on February 18, 2014 and March 4, 2014.

REPORT SUMMARY:

Although the live recording is the official record of public meetings, actions are prepared for the Council's approval.

FISCAL IMPACTS:

N/A

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:

N/A

FOLLOW UP ACTION:

File actions in the City Clerk's office.

ADVERTISING, NOTICE AND PUBLIC CONTACT:

This item was properly listed on the posted agenda.

ATTACHMENTS:

City Council Actions will be provided under separate cover.

AVALON CITY COUNCIL

MEETING DATE: March 18, 2014

AGENDA ITEM: 2

ORIGINATING DEPT: Finance

CITY MANAGER: PA

PREPARED BY: Betty Jo Garcia - Finance Director

DEPT. HEAD: Bjg

SUBJECT: Warrant List

RECOMMENDATION(S): Approve the warrants in the amount of \$402,556.07 and the payroll in amount of \$191,643.04 and the Electronic Fund Transfer to BOE for Fuel Dock Sales Tax in the amount of \$4,360.00 for a total expenditure amount of \$598,559.11.

REPORT SUMMARY: Attached you will find the warrant list for all general warrants issued for the the dates as indicated drawn on U.S. Bank. The warrant list represents check numbers #17850 - #17908 in the amount of \$402,556.07 for a total expenditure amount of \$402,556.07.

Also represented is the payroll dated March 7, 2014 in the amount of \$191,643.04 for a total expenditure amount of \$191,634.04.

Also included is the Electronic Fund Transfer to BOE for Fuel Dock Sales Tax in the amount of \$4,360.00 for a total expenditure amount of \$4,360.00.

FISCAL IMPACT: There are sufficient funds available, and the expenditures have been approved in the adopted fiscal year 13/14 budget.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION(S): N/A

FOLLOW UP ACTION(S): N/A

ADVERTISING, NOTICE AND PUBLIC CONTACT: Agenda Posting

ATTACHMENTS: Audit Certificate and Warrant List

WARRANT LIST

AVALON CITY COUNCIL
MEETING OF MARCH 18, 2014

CHECK NUMBER	AMOUNT	PAYEE	DESCRIPTION
17850	02/19/14	490.00 TOWNE, INC.	POSTAGE - ELECTION 2014
17851	02/28/14	129.81 AT & T	LONG DISTANCE - ALL DEPTS
17852	02/28/14	1,553.05 AVALON BOAT STAND	SERVICE - HARBOR
17853	02/28/14	375.90 BILL JONES PLUMBING	SERVICE - PUBLIC WORKS
17854	02/28/14	309.98 BLUE TARP FINANCIAL	SUPPLIES - GARAGE
17855	02/28/14	9,006.77 BROWNELL & DUFFEY	AUDIT SVCS - JANUARY 2014
17856	02/28/14	2,562.45 BURNS & MCDONNELL	SERVICE - BB & K
17857	02/28/14	47,190.11 CALPERS	1/22-2/4/2014 RETIREMENT
17858	02/28/14	2,013.10 CALPERS	1/22-2/4/2014 RETIREMENT PEPRA
17859	02/28/14	73.43 CARMENITA TRUCK CENTER	SUPPLIES - GARAGE
17860	02/28/14	271.84 CARUSO FORD	SUPPLIES - GARAGE
17861	02/28/14	419.98 CATALINA BEVERAGE	SUPPLIES - ALL DEPTS
17862	02/28/14	75,166.67 CHAMBER OF COMMERCE	TOT - MARCH 2014
17863	02/28/14	108.75 CATALINA EXPRESS	TRAVEL - PLANNING
17863	02/28/14	25,418.40 CATALINA EXPRESS	1ST HLF FEB 2014 - SUBSIDY
17864	02/28/14	930.00 CATALINA ISLANDER	ADVERTISING - ADMIN/PLANNING
17865	02/28/14	37,500.00 CIMC	SUBSIDY - MARCH 2014
17866	02/28/14	325.00 CATALINA STEAM CLEANING	CONTRACT SVCS - HARBOR
17867	02/28/14	36,844.25 CATALINA TRANSPORTATION	ACT/ART/DAR - MARCH 2014
17868	02/28/14	1,447.19 CDW GOVERNMENT	IT SUPPLIES - ADMIN
17869	02/28/14	37.51 COASTLINE EQUIPMENT	SUPPLIES - GARAGE
17870	02/28/14	6,560.00 CONSTRUCTORS PLUS	CONTRACT SVCS - ADMIN
17871	02/28/14	2,880.00 CONSTRUCTORS PLUS	CONTRACT SVCS - ADMIN
17872	02/28/14	2,644.49 EDISON	UTILITIES - ALL DEPTS
17873	02/28/14	6,229.26 ESGIL CORPORATION	PLAN CK SVCS - PLANNING
17874	02/28/14	1,400.00 GEOSOILS, INC.	SERVICE - LOWER TERRACE PROJ.
17875	02/28/14	64.27 GRAINGER	SUPPLIES - HARBOR
17876	02/28/14	439.18 GCR TIRE CENTER	SUPPLIES - GARAGE
17877	02/28/14	1,361.63 HD SUPPLY FACILITIES MAINT., LTD	SUPPLIES - CDO
17878	02/28/14	2,110.05 HELVETIC CONSULTING, INC.	CONTRACT SVCS - PLANNING
17879	02/28/14	30.00 JIMENEZ, SHELLY	REFUND - RECREATION FEES
17880	02/28/14	74,475.00 JORDAHL CONSTRUCTION	PROGRESS PYMT - PB GRAVITY PROJ.
17881	02/28/14	106.16 KRUG, MICHAEL	REIMB O/P COSTS - TRAVEL
17882	02/28/14	1,950.62 LICARI, TONY	CONTRACT SVCS - MARCH 2014
17883	02/28/14	3,200.00 MAM SOCIAL, INC.	SERVICE - LOWER TERR/PLAN REVIEW
17884	02/28/14	13,950.00 MAYER HOFFMANN MCANN P.C.	AUDIT SVCS - ADMIN/FINANCE
17885	02/28/14	684.66 MEYERS FOZI, LLP	SERVICE - BB & K
17886	02/28/14	1,149.45 MINUTEMAN PRESS	SUPPLIES - PLANNING
17887	02/28/14	1,087.50 MUNICIPAL COURTS - AVALON	PARKING CITATIONS - JAN 2014
17888	02/28/14	2,171.60 NAPA AUTO PARTS	SUPPLIES - GARAGE
17889	02/28/14	2,231.17 PEBBLY BEACH BUILDING SUPPLY	SUPPLIES - ALL DEPTS
17890	02/28/14	100.00 PEREZ, ANA	REFUND - FACILITY RENTAL FEE
17891	02/28/14	270.71 PETTY CASH	PETTY CASH - ALL DEPTS
17892	02/28/14	1,100.00 POST, ROCKY	CONTRACT SVCS - ADMIN
17893	02/28/14	933.79 PORT SUPPLY	SUPPLIES - HARBOR
17894	02/28/14	226.07 QUILL CORP.	SUPPLIES - ALL DEPTS
17895	02/28/14	734.72 REGIONAL GOVERNMENT SERVICES	CONTRACT SVCS - PLANNING
17896	02/28/14	642.74 RICOH USA, INC.	COPIER LEASE - PLANNING
17897	02/28/14	1,974.00 SAND TRAP	SENIOR MEALS - NOV/DEC 13 JAN 13
17898	02/28/14	3,302.16 SANI-TEC USA	CITY RESTROOM SUPPLIES
17899	02/28/14	300.00 SILVANA CICCONI SEWING	SERVICE - GARAGE
17900	02/28/14	8,342.00 SIRIA'S CLEANING SERVICE	CONTRACT SVCS - FEB 2014

17901	02/28/14	2,007.00	SUNGARD PUBLIC SECTOR, INC.	SOFTWARE LEASE - FINANCE
17902	02/28/14	536.43	TARCO INDUSTRIES, INC.	SUPPLIES - GARAGE
17903	02/28/14	3,903.77	TIGER DIRECT	SUPPLIES - ADMIN/HARBOR
17904	02/28/14	9,520.00	VEGA, EDMUNDO	CONTRACT SVCS - MARCH 2014
17905	02/28/14	687.00	VEGA, EDMUNDO	SERVICE - GARAGE
17906	02/28/14	471.45	VERIZON WIRELESS	COMMUNICATIONS - ALL DEPTS
17907	02/28/14	525.00	WITTMAN ENTERPRISES	SERVICE - JANUARY 2014
17908	03/03/14	80.00	MARTINEZ, DESIREE	REIMB O/P COSTS - COPIES

\$ 402,556.07

RECORD OF CHECKS DRAWN ON FEBRUARY 19, 28, AND MARCH 3, 2014 FOR CM OF 03/18/14

MONTH OF MARCH

US BANK WARRANT #17850	\$490.00	2/19/2014
US BANK WARRANT #17851- #17907	\$401,986.07	2/28/2014
US BANK WARRANT #17908	\$80.00	3/3/2014
US BANK WARRANT	\$0.00	
EFT TO BOE - FUEL DOCK SALES TAX	\$4,360.00	March 2014
		\$406,916.07
PAYROLL DATED March 7, 2014	\$191,643.04	
PAYROLL DATED	\$0.00	
		\$191,643.04
TOTAL DISBURSEMENTS	\$598,559.11	\$598,559.11

CERTIFICATE

IN ACCORDANCE WITH SECTION 32702 OF THE GOVERNMENT CODE, I CERTIFY THAT THE ABOVE DEMANDS ARE ACCURATE AND THAT FUNDS ARE AVAILABLE FOR PAYMENT.

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

EXECUTED THIS 18TH DAY OF MARCH 2014

APPROVED AND AUDITED
THIS 18TH DAY OF MARCH 2014

AUDIT COMMITTEE - W.F. OLSEN

CITY MANAGER - BEN HARVEY

AUDIT COMMITTEE - RALPH MORROW

Betty Jo Garcia

FINANCE DIRECTOR - BETTY JO GARCIA

CITY COUNCIL

MEETING DATE: March 18, 2014

AGENDA ITEM: 3

ORIGINATING DEP: Administration

CITY MANAGER: JA

PREPARED BY: Denise Radde, Chief Administrative Officer/City Clerk

SUBJECT: Catalina Express Free Birthday Trips – Waiver of Wharfage Fees

RECOMMENDED ACTION(S): Approval of the waiver for not charging the wharfage fee for all persons who embark and debark the City of Avalon via the Catalina Express in conjunction with the Catalina Express's promotion of giving a free birthday trip.

REPORT SUMMARY: For the last three years the City Council has waived the wharfage fee (currently \$2.50) for all persons who arrived and departed the City of Avalon via the Catalina Express on the birthday promotion. The fee waiver only applies to persons traveling on their birthday, and does not apply to other persons traveling with the birthday individual.

The Catalina Express would like to extend their promotion and has requested the City of Avalon to again waive the wharfage fee for another year. The Express feels this program has proven to be a very successful marketing tool. With the City's waiver of the fee, visitors do not have to pay any charges to travel to Avalon on their birthday.

Since April 2013 through January 2014 the Catalina Express has provided over 54,112 free birthday rides, equaling \$135,280.00 of waived wharfage fees.

Staff agrees that the special birthday promotion has provided a public benefit for all entities in town and has served as an enticement for first-time and returning visitors to Avalon and the City's participation in this program should be extended.

FISCAL IMPACTS: The City's Harbor Fund receives the wharfage revenue. During the past year of April 2013 – January 2014 the estimated additional revenue for this program was \$135,280 in uncollected wharfage fees. These fees have been offset by the City's collection of sales taxes and Harbor Use Fees generated by the visitors, although the exact amount is not known.

ADVERTISING, NOTICE AND PUBLIC CONTACT:

This item was properly listed on the posted agenda pursuant to the Brown Act.

ATTACHMENTS: Table showing total of birthday passengers and wharfage fees waived and letter of request from the Catalina Express.

Catalina Express Passenger Count Birthday Exemption

(Based on Calendar Year)

Reporting Month	Passengers Landed	Exempt Passengers	Exemption Amount
January-13	19527	2000	\$ 5,000.00
February-13	23826	2666	\$ 6,665.00
March-13	36463	4104	\$ 10,260.00
April-13	38661	5202	\$ 13,005.00
May-13	46778	5052	\$ 12,630.00
June-13	55858	6666	\$ 16,665.00
July-13	75104	8212	\$ 20,530.00
August-13	74445	8480	\$ 21,200.00
September-13	49809	7190	\$ 17,975.00
October-13	37154	5218	\$ 13,045.00
November-13	28810	3120	\$ 7,800.00
December-13	25742	2018	\$ 5,045.00
January-14	25625	2954	\$ 7,385.00

Totals	537802	62882	\$ 157,205.00
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Catalina Express Passenger Count Birthday Exemption

(Promotion runs April-March)

Reporting Month	Passengers Landed	Exempt Passengers	Exemption Amount
April-13	38661	5202	\$ 13,005.00
May-13	46778	5052	\$ 12,630.00
June-13	55858	6666	\$ 16,665.00
July-13	75104	8212	\$ 20,530.00
August-13	74445	8480	\$ 21,200.00
September-13	49809	7190	\$ 17,975.00
October-13	37154	5218	\$ 13,045.00
November-13	28810	3120	\$ 7,800.00
December-13	25742	2018	\$ 5,045.00
January-14	25625	2954	\$ 7,385.00

Totals	457986	54112	\$ 135,280.00
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March 6, 2014

City Council Board
City of Avalon
410 Avalon Canyon Rd.
P.O. Box 707
Avalon, CA 90704

Dear City Council Members:

Catalina Express wishes to continue the successful 'Ride Free on Your Birthday' program and respectfully requests that the City of Avalon grant an extension to the waiving of the Harbor Landing Fee.

Currently, persons traveling to and from Avalon arriving via boat must pay a \$2.50 Harbor Landing Fee to the City. To maximize the number of visitors taking advantage of this opportunity and promote the fact that the birthday trip is free, Catalina Express formally asks the City Council to waive the fee for persons traveling on Catalina Express on their birthday. The fee waiver would only apply to the person traveling on his or her birthday. All other persons traveling with the person would be required to pay all regular costs and fees.

I believe the City of Avalon and Catalina Express have both benefited from the Birthday program by significantly increasing tourism and amounts spent on shopping, dining and other activities. Extending the promotion will continue to generate positive publicity and entice new and repeat visitors to come to Catalina Island.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Bombard", is written over a horizontal line.

Greg Bombard
CEO

Reservations:
562-485-3300
800-995-4386

400 Oceangate, Suite 300
Long Beach, CA 90802
www.CatalinaExpress.com

Administration:
562-485-3200 Ext 1000
Fax 562-485-3201

CITY COUNCIL

MEETING DATE: March 18, 2014

ADENDA ITEM: 4

ORIGINATING DEP: Recreation

CITY MANAGER: JA

PREPARED BY: Jennifer Monroe, Recreation Coordinator

SUBJECT: Consideration of Award for Contract – Joe Machado Field Concession Stand Lessee

RECOMMENDED ACTION(S): Award contract to Marjorie Wahl and Bryan Fultz for the Joe Machado Field Concession Stand contract and authorize Staff to execute a contract.

REPORT SUMMARY:

Authorization was granted at the January 7, 2014 City Council Meeting for Staff to "Go out to Bid" for the Joe Machado Concession Stand Lessee contract, and Council approved the RFP scope.

After advertising the RFP for over six weeks, the City received two complete proposals. These proposals have been thoroughly reviewed by City Staff, who believed both applicants would meet City requirements and expectations.

On Friday, March 14, 2014 a panel consisting of Councilmember Richard Hernandez, City Treasurer Christy Lins, and Recreation Coordinator Jennifer Monroe met to review the applications and interview the applicants.

The panel is unanimously recommending City Council award the contract to Marjorie Wahl and Bryan Fultz based upon the respective experience and qualifications of the applicants and is requesting authorization for Staff to enter into a contract with the rental terms as stated in the approved RFP (attached).

FISCAL IMPACTS: Revenue generated with the lease of the property of \$5 per lineal square foot or 8% of monthly gross receipts, whichever is higher, was not included in the current FY 13-14 budget.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:

The City of Avalon will not have a contractor to operate the Joe Machado Field Concession Stand.

FOLLOW UP ACTION:

Implement City Council direction.

ADVERTISING, NOTICE AND PUBLIC CONTACT:

This item was properly listed on the posted agenda.

ATTACHMENTS:

Joe Machado Concession Stand Lessee RFP.

**CITY OF AVALON
REQUEST FOR PROPOSALS
FOR
JOE MACHADO BALLFIELD CONCESSION STAND LESSEE**

1. PURPOSE

The City of Avalon is soliciting proposals from qualified individuals and/or businesses to lease and operate the new concession stand at Joe Machado Ballfield.

2. BACKGROUND

The City of Avalon recently commenced construction of a concession stand in the Joe Machado Field courtyard. The area will be improved with new infrastructure and visitor serving amenities including a Los Angeles County Public Health Department approved commercial kitchen and propane service. The Joe Machado Field is a year-round community sports and leisure facility that hosts high school and community softball, baseball, football, and soccer leagues, as well as non-sporting events (i.e. private parties, corporate events, concerts).

3. PROJECT DESCRIPTION:

The City of Avalon is pleased to present this opportunity for interested individuals and/or businesses to submit qualifications for the operation of the new concession stand. Included in the lease and provided by the City of Avalon are all major appliances and fixtures. It will be the responsibility of the selected operator to make any necessary tenant improvements and to operate the concession on behalf of the City. The operator shall have sole responsibility to finance and purchase all tenant improvements and additional equipment. Construction of the facility will be completed by mid-April, and the property will be available for immediate use thereafter. The tenant will be responsible for the maintenance, repair and care of all equipment provided by the City and the replacement of equipment upon its failure after each warranty has expired.

The concession facility is intended for food and drinks. The concession area is approximately 276 square feet in size and is located adjacent to a paved courtyard where seating may be placed at the discretion of the concessionaire.

Concessions operations are a key component to the overall character of the ballfield. The selected proposer will be required to satisfy the following conditions as a part of the concession operations:

Personnel

The operator will be responsible for hiring the necessary personnel to conduct the operation of the concession stand. The operator will comply with all federal, state and local laws related to minimum wage, social security, nondiscrimination, unemployment

compensation, and workers' compensation. Employees shall wear a uniform or other means of identification.

Operating Hours

Hours of operation may vary, based upon seasons and weather. Minimum hours would include all scheduled recreational and school games where attendance is greater than 30 persons utilizing the facility, as well as all scheduled public and private events requesting food service. Operator may choose to not open for team practices and may utilize the facility for off-site catering opportunities if such off-site catering opportunities do not impact the operation of the concession stand for events at Joe Machado Field. If such a conflict exists, the lease must immediately stop the off-site catering and pay the City all funds received from such off-site catering. All scheduling of the facility, including Concessionaire proposed hours of operation, shall be done through the City of Avalon Recreation Department, which shall maintain sole discretion as to approval.

Menu Items

The concessionaire is expected to serve quality food and drinks to meet the needs of the visiting public. Simple menu items such as hot dogs, hamburgers, fries, and other snacks should be offered at competitive prices. Beverages should include juices, water, and sodas. Beer and wine sales are currently not permitted by the City. All packaging should be limited due to facility cleanliness concerns. Metal bottle caps and can tabs are prohibited in the facility, as is Styrofoam of any type (cups, plates, take-away containers).

Rental Agreement and Gross Receipts

Upon entering into a contract with the City of Avalon, the Lessee shall be required to provide their monthly total gross receipts. Lessee shall pay the greater of \$5 per lineal square foot or 8% of their monthly gross receipts of food and beverage sales and 10% of their monthly gross receipts of retail sales to the City of Avalon as rent for utilization of the space.

4. AGREEMENT

The City anticipates that construction will be completed and open for business by the third week of April, 2014. The successful proposer will be required to execute a concession agreement with the City of Avalon, which is subject to formal approval by the Avalon City Council. The term of the contract shall be for four (4) years commencing on or about May 1, 2014. The City shall have the option to extend the agreement for three (3) additional one-year periods. The City will also have the right to terminate the license agreement, with or without cause, upon thirty (30) days written notice. The proposer will also be required to purchase a City of Avalon Business License annually and shall procure and maintain insurance coverage as prescribed below:

Lessee entering into a contract with the City of Avalon is required by the Avalon Municipal Code to maintain a policy of public liability insurance. Such policy shall:

(a) Contain broad from commercial general liability insurance with respect to the premises, as applicable and the permittee, franchisee, contractor or lessees' activities with a combined single limit of not less than One Million and no/100ths (\$1,000,000.00) Dollars primary liability insurance per occurrence and aggregate and not less than One Million and no/100ths (\$1,000,000.00) Dollars excess liability insurance. Such insurance shall be produced by an insurer authorized to do business in California with a current Best's Insurance Guide Rating of not less than A-VII, shall name the City of Avalon, its officers, agents and employees as additional insured, and shall contain a provision that prohibits cancellation, modification or; and

(b) Name the City as additional insured and contain a waiver of subrogation against the named insured or respective officers, employees, agents; and

(c) Provide that it may not be canceled without at least thirty (30) days prior written notice to the City; and

(d) Provide primary and excess coverage insurance coverage subject to the approval of the City. All deductibles must meet approval of the City of Avalon.

The applicant shall provide evidence of such insurance coverage by providing the City with a copy of the policy and/or a copy of a fully explanatory certificate of insurance, as determined by the City.

All concerts or other large gatherings may be subject to additional insurance policy requirements as stated in the City of Avalon Special Event Permit guidelines.

The Concessionaire shall also be required to carry appropriate coverage for loss of use and damage to owner's property. The Concessionaire shall also be required to meet all federal, state, and local regulatory requirements applicable.

5. QUALIFICATIONS

To ensure a high-quality level of operation for the facility, proposers must demonstrate minimum experience and qualifications. Applicants must complete the City's Vendor Application Form and provide evidence of the following:

- Experience in successfully operating and managing a similar type business, which may range in type as to include a small retail business, restaurant, or catering business.
- Fiscal solvency and the capacity to complete any necessary tenant improvements anticipated
- Must not currently be indebted to the federal government, State of California, or the City of Avalon for non-payment of taxes, fines, judgments, liens, or fees.

6. PROPOSAL INSTRUCTIONS

Submission Date and Requirements

The complete proposal must be submitted to:

City of Avalon
C/O Ben Harvey, City Manager
410 Avalon Canyon Road
PO Box 707
Avalon, CA 90704
Attention: JOE MACHADO CONCESSION OPERATIONS

The following conditions apply to this submission:

- Proposals must be submitted by 4:00 PM, on February 20, 2014.
- Proposals must be signed, in ink, by an individual duly authorized to bind the Proposer and must be sealed.
- Proposals shall remain binding for 120 days from the date the proposals are due.
- The City reserves the right, at its sole discretion, to reject and return, without evaluation, any proposal received after the proposal submission time and date, whether it is delivered by mail or otherwise and waive any irregularity in any proposal.

Required Elements of Proposal

Respondents may submit any information they deem necessary and appropriate for the City of Avalon to fully and completely evaluate their qualifications. The proposal must, at a minimum, include the following general information:

1. Vendor Application (Attachment 1)
2. Checklist for a complete Submission (Attachment 2)
3. Description of the proposer's business structure, key staff and their qualifications
4. Description of the proposer's relative business experience in operating a concession or other similar business enterprise, including relative size of business operated, type of retail sales, etc.
5. A sample menu, including proposed prices, together with a list of other merchandise that may be available for sale/rent.
6. At least three persons or businesses that have first hand knowledge of the proposer's ability to successfully operate and maintain a high-quality concession.

7. PROPOSAL EVALUATION

Review Process

The selection shall be done in a three step process. All proposals received by the deadline will be evaluated by a committee established by the Recreation Program Coordinator. Upon the review and discussion of the quality and responsiveness of the proposals received, the applicants considered to be top rated by this committee will be invited to be interviewed. Lastly, the selection of the concessionaire will be made by Avalon City Council based on the recommendations of the panel.

Evaluation of Proposals

(a) The City will select a service provider based on a combination of factors, including but not limited to:

(i) Responsiveness, comprehensiveness, quality and consistency of the proposal with respect to this RFP;

(ii) Qualification – Demonstrated experience providing similar services, including experience of key personnel;

(iii) References – Satisfaction of references with services received, including but not limited to, implementation, customer service, payment of fees, and handling of legal and labor issues;

(iv) Cost Competitiveness – Total cost of service relative to other proposals received;

(v) Financial Ability – The demonstrated financial ability of the Proposer to perform or provide the required proposed services within the time specified without delay; and

(vi) Character – The character, integrity, reputation, judgment, and experience of the Proposer.

(b) In order to objectively evaluate all proposals, the City has attempted to describe the desired services, qualifications and terms and conditions it is seeking in this proposal in a manner that will allow a reasonable level of comparability among the proposals. Therefore, the City discourages and may disqualify proposals that substantially deviate from the RFP. Additional and unique ideas for diversion are requested, but should be presented in addition to, rather than in place of, the programs and methods described in this RFP.

Notification of Awards

The review committee's process will occur during the week of February 24-28, 2014. Interviews of final candidates will be scheduled March 5 and/or 6, 2014. Final decision and award of contract will be made by the Avalon City Council at the March 18, 2014 City Council Meeting.

ATTACHMENTS

1. Vendor Application Form
2. RFP Submission Checklist

**CITY OF AVALON CITY COUNCIL
ACTING AS SUCCESSOR AGENCY TO THE ACIA**

MEETING DATE: March 18, 2014

AGENDA ITEM: 5

ORIGINATING DEP: Capital Improvements

CITY MANAGER: JA

PREPARED BY: Dennis Jaich

SUBJECT: Emergency Repairs to Crescent Avenue Storm Drain Phase 2

RECOMMENDED ACTION(S): Allow Staff to continue making emergency repairs, on the other half of Crescent Ave., (Phase 2) Four-fifths vote required.

REPORT SUMMARY:

The City Council, acting as the successor agency to the ACIA, approved a Change Order/Emergency Repairs to Crescent Avenue to allow for the safe transport of heavy construction equipment, including equipment necessary for work by Boulder Construction (Boulder) on the Lower Terrace Strengthening and Utility Protection Project. This was classified as Phase 1.

At the Council Meeting on March 4, 2014, this action was passed unanimously.

It should be noted that until this Phase 2 work is completed, all vehicles weighing over 17,000 lbs (GVW) will have to use an alternate route, and will need to wait for the complete repair to be completed, including curing time, until approximately April 14, 2014. Given the fact that the repairs need to be complete by the summer season, and because a contractor is already mobilized, the circumstances necessitating the need for emergency repairs still exist.

FISCAL IMPACTS: Cost to excavate and re-pour portions of Crescent Avenue (Phase 2). However, City Staff believes the SCICo owns the concrete culvert, and have sent them a letter advising them of this finding. Accordingly, we ultimately will be seeking restitution from them for the cost of the repair if they do not take over the remaining repairs and reimburse the City for the costs incurred to date.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: The safety of vehicular traffic is of a concern, as well as imminent delays to the current construction projects as further degradation of Crescent Avenue will occur.

FOLLOW UP ACTION: Pursuit of funds from the Island Company to pay for the repairs and completion of repair work.

ADVERTISING, NOTICE AND PUBLIC CONTACT: Brown Act.

ATTACHMENTS: None.

CITY COUNCIL

MEETING DATE: March 18, 2014

AGENDA ITEM: 6

ORIGINATING DEPT: Planning

CITY MANAGER: ZA

PREPARED BY: Audra McDonald

SUBJECT: Resolution encouraging voluntary reduction in the use of single-use plastic bags.

RECOMMENDED ACTION(S): Adopt the Resolution encouraging the voluntary reduction in the use of single-use plastic bags.

REPORT SUMMARY: Staff made a presentation at the January 7, 2014, City Council meeting regarding the possible ban of single-use plastic bags. Based upon Council direction, staff reached out to the Catalina Island Chamber of Commerce Board, Carlos Illingworth, Public Relations Representative for Vons and local service clubs including The Rotary Club, The Lion's Club, and The Catalina Island Women's Forum. The feedback received during the outreach was overwhelmingly positive and based on that feed back it was determined a study session should be scheduled to have further dialogue regarding the topic. The City's legal staff has been closely monitoring efforts by the State to adopt a state-wide ban on single-use plastic bags; SB 270 banning the use of single-use plastic bags was introduced in January, 2014. The City Council study session slated for a meeting in late April or early May will be an opportunity for the Council and Community members to review impacts from a possible ban and the status regarding the State's efforts.

Attached is a Resolution calling for voluntary reduction in single-use plastic bags. The Resolution demonstrates the City's commitment to an environmentally friendly community and provides awareness on the issue prior to the study session.

FISCAL IMPACTS: None, the action is voluntary.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION(S): None.

ALTERNATIVE ACTION(S): Decline to adopt the Resolution and hold over pending study session.

FOLLOW UP ACTION(S): Adopt the Resolution.

ATTACHMENTS:

1. Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AVALON
ENCOURAGING CITIZENS AND VISITORS TO REDUCE OR ELIMINATE
THE USE OF SINGLE-USE PLASTIC BAGS WHENEVER POSSIBLE

WHEREAS, the City of Avalon is a beautiful island community whose precious resources deserve to be preserved; and

WHEREAS, the current use of approximately 50,000 single-use plastic bags every week in the City of Avalon has a negative impact on our island environment; and

WHEREAS, more than 100 localities in California have voted to ban single-use plastic bags; and

WHEREAS, the State of California is considering a bill to ban single-use plastic bags statewide;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Avalon hereby encourages citizens and visitors to reduce or eliminate the use of single-use plastic bags whenever possible and assist in this endeavor by choosing to carry their own personal reusable bags when shopping in Avalon.

Passed, Approved and Adopted on the 18th day of March, 2014.

Ayes:
Noes:
Absent:
Abstain:

Robert Kennedy, Mayor

Denise Radde, City Clerk

CITY COUNCIL

MEETING DATE: March 18, 2014

AGENDA ITEM: 7

ORIGINATING DEPT: Planning

CITY MANAGER: RA

PREPARED BY: Audra McDonald

SUBJECT: Findings and Determinations by the City Council to Dispense with Public Bidding and Authorize Direct Negotiations with Ebus, Inc. for the Purchase of Three (3) All Electric Buses for the City of Avalon's Fixed Route Public Transportation System

RECOMMENDED ACTION(S): For the City Council to adopt the findings and determinations set forth in this staff report necessary to dispense with public bidding and authorize the City Manager to commence contract negotiations with Ebus, Inc. for the purchase of three (3) 22-foot, all electric buses, and direct the City Manager to bring the negotiated contract and price back to the City Council for review and approval.

BACKGROUND: In January 2013 the City submitted a grant application through the Los Angeles County Metropolitan Transportation Authority's (Metro) Call for Projects process to replace three (3) City-owned, gas powered trolleys with three (3) all-electric buses. The electric bus specifications used for the grant application were based on a bus manufactured by Ebus Inc., located in Downey, California. This model bus was chosen for its smaller size (22 feet in length versus the existing 28 foot trolley), its alternative fuel source (all-electric) and proven success in other municipal locations including the City of Santa Barbara (State Street Bus).

The City was notified in May 2013 that the submitted application was successful and would be funded as follows:

- \$960,000 Grant Funds – Metro Local Transit Funds
- \$240,000 City of Avalon Match

The next step is for the City to determine how it will proceed in procuring the all-electric buses utilizing the above identified funding.

REPORT SUMMARY/FINDINGS: Chapter 4 of the City of Avalon Municipal Code sets forth the Purchasing System for the City. Article 1, Section 3-4.102 of the Code requires that the purchase of supplies and equipment with a value over \$5,000 is to be by a publicly noticed, low bid procurement. However, the Code allows the City to dispense with bidding if there is only one source for the procurement (sole source) or when the City Council determines that the purchase can be made more economically and/or efficiently without bidding procedures.

In this case, staff believes that the current facts support both sole source findings, as well as findings that the purchase of the all-electric buses can be made more economically and efficiently without bidding.

Staff is aware of only three manufacturers of all-electric transit buses:

BYD – Has a prototype of a 22-foot all-electric bus that is manufactured outside of the United States and is not Altoona Tested.

Proterra – Smallest all-electric bus offered is 35 feet.

Ebus – Manufactures 22-foot, all electric Altoona Tested buses.

Because of the unique size and layout of the City, including the narrow roads, the buses to be procured must be smaller in size. The size required by the City is not standard in the marketplace. In addition, the community is seeking public transportation that utilizes an alternate, more environmentally friendly fuel source. Staff has determined that Ebus, Inc. has a proven track record and is able to supply the desired electric buses in conformance with the City's size requirements. As noted above, Ebus, Inc. has, for example, successfully supplied similar electric buses to the City of Santa Barbara, and also has experience retrofitting buses and developing prototypes for Metro.

Based on staff's research, staff believes that Ebus, Inc. is the only well-qualified supplier/manufacturer with a successful history of providing the desired buses to public agencies. Ebus, Inc. is able to train City mechanics on use and repair of the buses, and has a location within a close proximity of the City should warranty claims or other issues arise. Therefore, staff believes that, based on the City's unique needs, sole source findings are appropriate for this procurement.

Staff is aware of one other potential manufacturer that may be able to bid to provide the buses, however, this company does not currently manufacture its buses in the United States, and also does not have a proven track record of supplying buses to public agencies that meet the City's requirements. In light of this fact, staff believes that the purchase of the all-electric buses can be made more economically and more efficiently without bidding procedures. Staff does not believe it is in the City's best interest to utilize a company that does not manufacture its buses locally, and that does not have a history of supplying the buses required.

It is the opinion of staff that the most economical and efficient manner to purchase the all-electric buses would be to negotiate with Ebus, Inc. Dispensing with bidding will save the City time and money related to the bidding process. Staff believes that Ebus, Inc. will provide a fair and reasonable price for the buses, and that public bidding will not produce a better result for the City. Since the funding for the buses is comprised of local funds only, there are no federal or state procurement requirements that are applicable. The City is only required to comply with its own Code.

The City has been working with Metro Staff to fast-track the project due to the age and condition of the current trolleys. The earliest the City can procure the buses is July 1, 2014. It is staff's goal to be ready to purchase new buses as close to the July 1st date as possible.

Concurrently staff will be working on the following issues with regards to the new buses:

- Charging requirements (SCE)
- Charging locations
- Contract negotiations with Catalina Transportation Services

FISCAL IMPACTS: The City is required to provide a 20% match towards the purchase of the buses. The City's Local Transportation Fund has set aside \$95,000 and will need to budget the remaining \$145,000 in the upcoming 14/15 Fiscal Year. Dispensing with bidding will save the City time and money related to the bidding process, and staff believes that bidding in this case will not result in a better value for the City.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION(S): City will proceed with preparing an Invitation to Bid.

ALTERNATIVE ACTION(S): Potential alternative action would be to require the City to issue an Invitation to Bid for procurement of the buses, or to take no action.

FOLLOW UP ACTION(S): If the findings are approved, commence negotiations with Ebus, Inc.

CITY OF AVALON

MEETING DATE: March 18, 2014

AGENDA ITEM: 8

ORIGINATING DEPT(S): City Clerk

CITY MANAGER: BA

PREPARED BY: Denise Radde

SUBJECT: Process in the Event of a Tie Vote at the April 8, 2014
Avalon Municipal Election

RECOMMENDED ACTION: Choose between:

- 1) Adopt resolution providing for a Special Runoff Election in the event of a tie vote, or
- 2) Do not adopt resolution and allow tie to be decided by lot. Additionally, Council needs to determine that this method applies specifically to this election only or to all subsequent elections until the City Council determines otherwise.

REPORT SUMMARY: Elections Code §15651 provides that unless the City Council adopts a resolution providing for a Special Runoff Election in the event of a tie vote, then tie votes are to be decided by the election board (the City Clerk and two designees) by lot (such as the flip of a coin). If the City Council decides to conduct a Special Runoff Election, it must decide either that decision applies to only this election or to future elections until the City Council decides otherwise.

In the past, historically the City Council has chosen to allow the tie to be decided by lot.

FISCAL IMPACT: The cost of a Special Runoff Election is the same as a regular election, approximately \$35,000. (This is the amount that was budgeted for in this FY 13-14 budget.)

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: N/A

FOLLOW-UP ACTION: If resolution is adopted the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

ADVERTISING, NOTICE AND PUBLIC CONTACT: This item was properly listed on the posted agenda pursuant to the Brown Act.

ATTACHMENTS: Resolution to hold Special Runoff Election in Event of Tie Vote.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AVALON,
CALIFORNIA, PROVIDING FOR THE CONDUCT OF A SPECIAL RUN-OFF
ELECTION FOR ELECTIVE OFFICES IN THE EVENT OF A TIE VOTE AT
ANY MUNICIPAL ELECTION**

Whereas, §15651(b) of the California Elections Code authorizes the City Council, by a majority vote, to adopt provisions to require the conduct of a Special Runoff Election to resolve a tie vote involving those candidates who received an equal number of votes and the highest number of votes for an elective office;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AVALON DOES DETERMINE, FIND, RESOLVE AND ORDER AS FOLLOWS:

Section 1. That, pursuant to California Elections Code §15651(b), if any two or more persons receive an equal and highest number of votes for an office to be voted for within the city, there shall be held within the City a Special Runoff Election to resolve the tie vote. A Special Runoff Election shall be called and held on a Tuesday not less than 40 nor more than 125 days after the administrative or judicial certification of the election which resulted in a tie vote.

Section 2. That the provisions of Section 1 shall apply at the next ensuing municipal election and at each municipal election thereafter.]

OR

Section 2. That provisions of Section 1 shall apply only to the election to be held on April 8, 2014 and shall then be repealed.]

Section 3. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 18th day of March 2014.

Robert Kennedy, Mayor

ATTEST:

Denise A. Radde, City Clerk

CITY COUNCIL

MEETING DATE: March 18, 2014

AGENDA ITEM: 9

ORIGINATING DEP: City Manager's Office

CITY MANAGER: BLH

PREPARED BY: Gina Schuchard, Project Manager

SUBJECT: FY 13-14 Mid-Year Budget Review

RECOMMENDED ACTION(S): The Mayor and City Council are recommended to:

1. Receive and file the FY 13-14 Mid-Year Report.

BACKGROUND:

Last fall, the City Council adopted the City of Avalon's Fiscal Year 2013-2014 budget that covers the period of July 1st, 2013 through June 30th 2014. The Mid-Year Review provides an explanation of the City's progress for the first six months of the fiscal year or the period between July 1st 2013 and December 31, 2013. At this time, the \$1.6 million dollar deficit in the adopted budget is expected to be reduced to approximately \$688,971. This staff report and the presentation to the City Council at the meeting will explain the efforts undertaken to reduce the deficit.

The budget was adopted on November 5, 2013 with an estimated 80% confidence level on the status of reserves or prior year balances and prior year revenue trends. Since November, the FY 11-12 Audit has been completed and the City is finalizing the financials for the FY12-13 Audit processes. The progress forward allows for a clearer understanding of prior year trends for revenues as well as a higher confidence level in reserves from 80% to 90% as of this mid-year review.

The City Council has been proactive in providing direction to staff on citywide goals, property assessments, fees capital improvement projects and operational efficiencies.

Mid-Year Status: All Funds

For the first six months of the fiscal year as of December 31, 2013, or 50% of the fiscal year completed, 47% of the City's revenues have been received and 43% of the expenditure budgets have been spent. In reviewing the status of a City's budget, it is important to review how quickly or how slowly revenues are received or expenditures are spent. This can indicate if the City over or under estimated revenues and expenditures in the original budget when compared to six months of preliminary financial data or 50% of the year completed. This information is compared to the nature or characteristic of the revenue or expenditure. Some City revenues are received every month, while others are seasonal or on a lagging schedule due to collection processes. For example, if Avalon businesses experience higher visitor counts in one month, the City will not receive the revenue for up to two months later. It should also be noted that

receipts in a certain month within the City's receipt records will lag during the fiscal year as a result. The City "catches" up by doing an accrual process at the end of the year so all receipts earned in the current fiscal year (May and June revenues) are received in the financials for that year. In these cases, we look at prior year comparison trends on like periods for guidance.

The City's trends for the first six months of the fiscal year overall are consistent with meeting budgeted targets at 50% of the year completed. The lower rate for revenues, below 50%, can be attributed to an in-house billing process which occurred on some property related fees that delayed the receipt of taxes in December to the spring of 2014. In terms of expenditures, some one-time projects have not yet begun. For those projects that may not be completed by June 30th, the funds will be encumbered or carried forward into the next fiscal year.

Mid-Year Status: General Fund

The General Fund revenues overall are trending at 58% received as of December 31, 2013 mainly due to the receipt early in the year of one-time revenues such as the sale of the Metropole property for \$691,000. Increasing revenue trends are associated with Transient Occupancy Tax (TOT) receipts at 60.42% or \$2,477,276 year to date as compared to last year's mid-year receipts of \$2,346,890, a difference of \$130,386. The City is anticipating an increase of \$50,000 in TOT for an annual projection of \$4,150,000. This is a conservative estimate and will be monitored and modified by year-end.

The General Fund expenditures overall are trending at 44% spent as of December 31, 2013, mainly due to delayed billings on public safety contracts with Los Angeles County at 41%, allocation of Administration Overhead at 41% and Transfers to Other Funds that have not yet been completed. These trends will normalize over the next few months as accounting processes are updated. We anticipate having year-end expenditure savings that will balance any increased expenditures, as in the case of overtime related to the Fire Department.

FY13-14 Total Sources and Uses

In order to see the "big picture" financially, the attached one page Total Sources & Uses table was created for the FY13-14 Budget. Below is a simplified version of the Total Sources & Uses table. At the time the budget was adopted, it was anticipated that of the 25 budgeted funds, some funds would be balanced (10 funds), some would have excess revenues (3 funds) and some funds would have excess expenditures or a deficit (12 funds). The funds with on-going deficits related to planned and necessary upgrades and emergency repairs are: the Sewer Fund (\$900,570), the Saltwater Fund (\$507,587) and the Storm Drain Fund (\$73,950). Of those funds with a deficit, prior year reserves would be used to cover the deficit. The result was that \$1.6 million would be drawn down from reserves.

FY 13-14 Adopted Budget

		FY 13-14		Reserve Balances	
		Revenues	Expenditures		
				10,057,940	July 1, 2013 Est
FY 13-14	22,316,694	-	23,937,949	=	(1,621,255) Deficit -All Funds
				<u>8,436,685</u>	June 30, 2014 Est

In reviewing the City's mid-year financial progress, we have identified year to year revenue trends as a result of increased tourism activity in addition to expenditure adjustments and savings. As a result, the City's deficit has been reduced by \$932,284 to (\$688,971).

Of the 25 budgeted funds, some funds have moved from balanced funds (10 at adoption to 6 currently) to excess revenue funds (3 at adoption to 7 at mid-year). Deficit funds have decreased from 12 funds to 10 funds. This means that the City is drawing down less from reserves than anticipated when the Budget was adopted. It is the goal of the City to reduce the dependence on prior year reserves through on-going review, evaluation and adjustments of operational expenditures, planned projects and contingency planning.

FY 13-14 Mid-Year Budget Update:

		FY 13-14		Reserve Balances	
		Revenues	Expenditures		
				10,041,029	July 1, 2013 Est
FY 13-14	22,316,694		23,937,949		
Mid-Year Projection	<u>800,262</u>		<u>(132,022)</u>		
Total	23,116,956	-	23,805,927	=	(688,971) Deficit -All Funds
				<u>9,352,058</u>	June 30, 2014 Est

The increased mid-year revenue projection of \$800,262 is made up of the following assumptions:

- \$129,917 in increased Net General Fund Revenue. Transient Occupancy Tax is projected to increase by \$50,000.
- \$110,000 in donated funds for the new Joe Machado Concessions Stand. The City is grateful to Mr. Packy Offield for his generosity towards this project.
- \$11,117 in increased Code Enforcement revenue.
- \$2,235 in higher Cemetery fee income.
- \$315,296 in anticipated Successor Agency revenues to cover administrative and legal expenses.
- \$131,698 in increased Admissions, Wharfage and Mooring Revenue.
- \$100,000 in unbudgeted revenue from CR&R for Construction and Demolition revenue.

The decreased mid-year expenditure projection of (\$132,022) is made up of the following assumptions:

- \$11,000 increase to the Chamber of Commerce operating subsidy. The Chamber receives 22% of the City's Transient Occupancy Tax. We are projecting a \$50,000 increase in anticipated receipts resulting in an increase to the subsidy.
- \$127,478 increase in the Joe Machado Concession Stand Project. The City originally budgeted \$50,000 for the project. Due to health department adjustments to the scope of the project, an additional \$127,478 was required for a total project cost of \$177,478. As noted above, much of the increased cost for this particular project was offset by the generous donation from Packy Offield.
- (\$200,000) reduction in anticipated costs associated with the Falls Canyon/Toxic Issue.
- (\$100,000) salary savings associated with the Recreation Director position
- \$29,500 in increased Stormwater Program Costs associated with new regulatory permit compliance.

Planning for the Future

The City of Avalon is anticipated to finish FY 2013-14 with additional revenue in key funds. As the City moves into FY 2014-2015, there are some key issues that will need to be addressed in future budgets:

- Increased Stormwater Program Costs in FY14-15 with preliminary estimates at \$145,000. Stormwater is solely supported by the General Fund.
- On-going Sewer and Saltwater capital improvements with decreasing reserves.
- Rate analysis review and determination of plan going forward for Sewer and Saltwater financial stability.
- Effect of the upcoming Classification and Compensation Study plus ongoing employee association negotiations.
- Effects of increasing PERS retirement rates projected to increase. Miscellaneous employees rate are anticipated to increase by 11.01% in FY14-15 and by 4.75% in FY15-16, while Public Safety rates will increase by 2.43% in FY 2014-15 and by 4.24% in FY15-16.
- Effects of long-term pension and health benefit obligations.
- Review of Baywatch contract with LA County.
- Fully fund matching grants for Cabrillo Mole and Fuel Dock Rehabilitation Projects.

FISCAL IMPACTS: The FY 13-14 Mid-Year Report is an update on the current financial condition of the City. At the end of FY 13-14, a follow-up report will be submitted detailing any reallocations and/or carry-forward of current projects.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: The FY 13-14 Mid-Year Update would not be filed and received. Updated information on the financial

status of the City would not be available for future decision making by the council or the public.

FOLLOW UP ACTION: Provide City Council with on-going financial updates as information becomes available.

ADVERTISING, NOTICE AND PUBLIC CONTACT: Listed on the posted agenda.

ATTACHMENTS:

1. FY 13-14 Adopted Total Sources & Uses.
2. FY 13-14 Mid-Year Total Sources & Uses.
3. Staff Report: Adoption of Fiscal Year 2013/2014 Budget

CITY COUNCIL

MEETING DATE: November 5, 2013

AGENDA ITEM: _____

ORIGINATING DEP: City Manager's Office

CITY MANAGER: _____

PREPARED BY: Gina Schuchard

SUBJECT: Adoption of Fiscal Year 2013/2014 Budget

RECOMMENDED ACTION(S): Staff recommends the City Council adopt the 2013-2014 Fiscal Year Budget Resolution including the Operating Budget and Capital Improvement Projects.

REPORT SUMMARY: The Fiscal Year 2013-2014 budget covers the period of July 1st, 2013 through June 30th 2014. The City Council has been proactive in providing direction to staff on citywide goals, property assessments, fees, capital improvement projects and operational efficiencies. The following council actions and/or direction was provided to city staff:

- May 1st Budget Study session to define citywide goals, departmental goals and capital improvements.
- June 4th Public Hearing to increase the Saltwater and Sewer Fees.
- June 18th Public Hearing for Mooring Fee Increase.
- June 19th Budget Study session to conduct a review of Miscellaneous Fees and Charges.
- June 26th Adoption of Resolutions establishing rates for saltwater and sewer service fees.
- June 26th Adoption of Resolution Adopting Interim Budget for FY 13/14 for the purpose of continuing the normal operations and maintenance of the City.
- June 26th Adoption of Mooring Fee Increase.
- August 28th Budget Study session of draft FY13/14 budget and public hearing for Miscellaneous Fee Schedule.
- September 3rd Adoption of Miscellaneous Fee Schedule.
- September 16th Adoption of Treasurer's Investment Policy for FY 13/14.
- September 16th Adoption of resolution notifying Los Angeles County Supervisors of the intent to receive specified law enforcement services from the LA County Sheriff's Office.
- September 16th Annual Budget on agenda for adoption. Budget adoption was continued pending release of the status of prior year spendable fund balances and

FY13 revenue and expenditure actuals. Directed to identify funds for Lower Terrace capital improvement project.

- November 5th Presentation of Proposed Annual Budget for FY13/14.

The proposed budget presented for FY13/14 is \$22,316,694 in total revenues and \$23,937,949 in total expenditures. Overall expenditures exceed revenues by \$1,621,255. The \$1.62 million is covered by the net of prior year spendable revenue (reserves) of \$1,760,347 and \$139,092 of current revenue exceeding expenditures in several funds.

Beginning estimated spendable balance for all funds is \$10,057,940 as of June 30, 2013 and ending spendable balance by June 30th, 2014 is an estimated \$8,436,685, a difference of \$1,621,255. Please see the FY13-14 Total Sources & Uses table for more information.

The General Fund is balanced at \$7,846,247 with revenues equalling expenditures. The estimated spendable fund balance at the end of FY 13/14 is \$4,073,995. When combined with other general funds, the spendable fund balance reduces to \$3,655,500.

The proposed budget includes the following items:

- Continuing to address sewer “hot spots” immediately with city resources.
- Implementing strict policies and fines for sewer “hot spots” on private property.
- Requesting assistance from homeowners and businesses and receiving approval for additional rate increases for the Sewer and Saltwater funds.
- Allocating nearly \$1.5 million in one-time operating and capital expenditures in the Sewer and Saltwater Funds.
- Allocating resources towards lobbying and grant activities for sewer infrastructure capital improvement funding.
- Initiating a long-term financial rate analysis for the Sewer and Saltwater Funds to insure future viability.
- Inclusion of the \$1.3 million Lower Terrace Project.
- Including \$131,000 in capital improvements to the Solid Waste Facility.
- Including \$150,000 in the proposed budget for first steps in replacing a ten-year old Information Technology system.
- Continued allocation of up to \$18,000 for Wireless Mooring Log Program.
- Allocating \$6,000 for fencing and improvements to the Skateboard Park.
- Providing \$50,000 towards completion of the Joe Machado Concessions Project.
- Including \$98,078 in vehicle replacements for the Harbor, Sewer and Code Enforcement divisions.
- Providing for specialized assistance to continue working with the State of California and Los Angeles County on the outstanding financial issues associated with the dissolution of redevelopment.
- Initiating discussions with bargaining units on updating agreements and establishing consistent communication procedures.
- Increased budgets for training and memberships.

- Reallocation of overhead costs associated with personnel service to the appropriate cost centers requiring more time and attention (i.e Sewer and Saltwater).
- Revision of Miscellaneous Fee Schedule and City leasing agreements.
- Inclusion of the new at-will Chief Administrative Office position.
- An upgrade for two Maintenance Worker I positions to Maintenance Worker II associated with the Sewer/Saltwater Enterprise.
- Adding a new Management Aide position to the City Manager's Office and Recreation to assist with various special projects.

FISCAL IMPACTS: Adoption of the Fiscal Year 2013-2014 budget provides a spending plan in the amount of \$23,937,949. The General Fund spending plan is \$7,846,247. The estimated spendable ending balances, or reserves is \$8,436,685 across all general and restricted funds.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: N/A

ALTERNATIVE ACTIONS: N/A

FOLLOW UP ACTION: Staff will return with finalized spendable balances and transfers between funds. Additionally, Finance staff will return with the adoption of the GANN limit and Successor Agency and Housing Authority Budgets.

ADVERTISING, NOTICE AND PUBLIC CONTACT: Pursuant to the Brown Act.

ATTACHMENTS:

FY 13-14 Total Sources and Uses Chart

Resolution of the City Council adopting the 2013/2014 Fiscal Year Budget including the Operating Budget and the Capital Improvement Projects.